Bill would help remedy unfair subsidy created by China's currency manipulation

Washington, D.C. – Today, Rep. Charlie Wilson (OH-6) voted in support of the Currency Reform for Fair Trade Act (H.R. 2378) a key part of Democrats' "Make It in America" initiative to increase American manufacturing and create new American jobs.

"The Chinese government does not let its currency appreciate at a normal rate," Wilson said. "That keeps Chinese export prices artificially low. And unfair prices there mean plants close here because U.S. plants can't compete."

The Chinese practice of not letting its currency appreciate has caused its currency to be undervalued by as much as 25 to 40 percent. This unfair trade practice translates into a significant subsidy, artificially making Chinese imports into the United States much cheaper and U.S. exports to China much more expensive, jeopardizing efforts to create and preserve manufacturing jobs in America.

The bipartisan bill, co-sponsored by Wilson and passed by the U.S. House, gives the Administration effective tools to address the unfair trade practice of currency manipulation by foreign countries, including China. The bill makes clear that additional tariffs can be imposed to offset the effects of a "fundamentally undervalued" currency under U.S. trade remedy laws. These are known as the countervailing duty laws.

"I have always said I'm for FAIR trade," Wilson said. "And this bill is a good start to making our trade policies more even handed for the workers here at home."

China's currency manipulation has reduced American exports, caused the loss of U.S. manufacturing jobs, and significantly contributed to our large trade deficit with China. If China allowed its currency to respond to market forces, it could create hundreds of thousands of U.S. manufacturing jobs and cut our trade deficit with China by billions of dollars a year, with no cost to the U.S. treasury.

“It is time to stand up for American workers and American manufacturers. They’ve earned it,” Wilson said.

The bill now heads to the U.S. Senate for consideration.

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